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Senate

ENHANCING OUR DIPLOMATIC READINESS

Mr. BIDEN. Mr. President, last week a bipartisan budget agreement was successfully reached between the Administration and Congressional leaders of both parties.

This is a seminal achievement that will lead us to a balanced budget for the first time in 28 years.

I would like to congratulate the budget negotiators on this important accomplishment.

I would like to call particular attention to their leadership in funding international affairs.

In February, I wrote the Budget Committee asking that the President's budget request of $19.45 billion for international affairs spending be regarded as the absolute minimum essential to effectively carry out the national interests of the United States.

Yesterday, the Budget Committee reported a resolution establishing these enhanced levels of funding as a priority for fiscal year 1998.

I commend the Budget Committee for recognizing the importance of funding this year the full amount of the President's request for foreign affairs.

This was an important first step.

I look forward to continue working with Chairman Helms on the Foreign Relations Committee and with the Appropriations Committee to insure that sufficient funds are authorized and appropriated to restore our resources for diplomatic readiness abroad.

But it was only the first step. In recent years, funding for international affairs has plummeted in real terms to its lowest level since World War II.

Yet all the while, due to the downsizing of U.S. overseas military forces, diplomacy has become more important than ever as a vital front-line defense of American interests.

Although the cold war has ended, challenges to our security remain.

We live in an age in which international threats such as terrorism, narcotics trafficking, and nuclear proliferation continue to imperil our Nation's security and prosperity.

American diplomats in the field and on the ground are essential to understanding complex political and economic forces affecting our allies and adversaries alike.

Despite the reduction in our military readiness abroad, the increased importance of diplomatic readiness to our Nation's security has not been reflected in the Federal budget in recent years.

To the contrary, international affairs funding has suffered drastic budget cuts, a point which I will demonstrate today. These cuts have already begun to have noticeable effects on our Nation's diplomatic readiness .

Thus, this year's budget agreement must be seen as only the first step toward restoring and enhancing America's diplomatic preparedness.

Before discussing the decline in resources for foreign affairs, it is worth pausing to address a threshold question: What kind of foreign policy do we want to have?

Stated more bluntly--are we prepared to remain engaged in the world, or are we headed down the path

of isolationism?

For it is only after we answer this fundamental question should we make decisions about the budgetary resources for foreign affairs.

Mr. President, how we fund our diplomatic resources abroad presents another test for American leadership--whether the growing forces of neoisolationism or those favoring engagement are going to prevail in this congress.

It is commonly asserted these days that the American people are weary of international involvement, and want us to cut back from our commitments abroad.

Over the course of the last 50 years we have seen an enormous technological revolution take place in the areas of information, communication, transportation, medicine, manufacturing, and world trade.

For better or worse, this revolution--at least for large segments of the world--has fundamentally transformed the way we live.

Within and among nations, people today are more closely connected than ever by fast and affordable travel, instant electronic communication, and standardized products.

For americans, who for much of our history enjoyed a sense of separateness from the world, global interdependence is no longer an academic abstraction; we experience it daily.

The lesson of the two world wars in this century--that we cannot preserve our own well-being in isolation from the world's problems--has now been compounded by technology.

For the last 50 years, the major threat to our Nation's security was the global spread of communism. Today, a host of other threats--no less dangerous--to our future security and prosperity exist: the proliferation of dangerous weapons; the threat of terrorism, narcotics, and international crime; the spread of deadly diseases; the degradation of the environment; and increasing economic competition.

On every continent, we face many challenges, new and old:

In Europe, we work to reinvigorate the NATO alliance by engaging in new missions and expanding to the east;

In Eurasia, we seek to build a constructive relationship with a newly democratic Russia still armed with thousands of nuclear weapons, and to nourish democracy there and elsewhere in the New Independent States;

In the Middle East, we endeavor to sustain a peace process that has brought Israel and her neighbors within sight of a final agreement that could end decades of conflict;

In Asia, we seek to strengthen the bonds of cooperation with old allies in Japan and Korea, and to build a cooperative relationship with a growing economic and military power in China;

In Latin America, we seek to sustain and strengthen our ties to the new democracies which are enjoying unprecedented economic success, and to help them contain the threat of the narcotics trade;

In Africa, we are helping the new South Africa take its rightful place as a leader of the world community, and we seek to encourage the spread of democracy across the continent, where the seeds of freedom and free markets are slowly taking root.

These multiple challenges may not call for a single construct--as the challenge of communism yielded the policy of containment--but they clearly affect American interests, and cry out for active American leadership.

I believe that the American people understand this reality; and precisely for that reason, they expect to see the strong hand of the United States in world affairs.

It is often stated, sometimes with excessive triumphalism, that we are the world's lone remaining superpower. Unfortunately, when it comes to devoting adequate resources for our diplomatic efforts, we rarely act the part.

Indeed, our ability to continue our leadership role is threatened by the severe decline in funding for international affairs.

And although some members of this body may contest the need for such funding, there can be no dispute that

spending for international affairs has fallen significantly in recent years.

Allow me to elaborate. In budgetary terms, nearly all funding for international affairs programs are found in the category known as function 150. In this category are all major foreign affairs activities: diplomacy conducted by the Department of State, foreign aid administered by the Agency for International Development; information and exchange activities carried out by the U.S. Information Agency; The work of the Arms Control and Disarmament Agency; U.S. contributions to international financial institutions such as the World Bank; and support for the United Nations and related agencies ranging from the International Atomic Energy Agency to the Children's Fund.

By every measure, spending for these activities has been cut to the bone in the last few years.

According to a study of the Congressional Research Service prepared at my request, foreign policy spending is now at its lowest level in 20 years.

Stated in fiscal 1998 dollars, the budget in the current fiscal year is $18.77 billion, which is 25 percent below the annual average of $25 billion over the past two decades, and 30 percent below the level of 10 years ago, near the end of the Reagan administration.

This is a recent phenomenon. The decline commenced at the beginning of the decade. But the most significant reductions came in the past few years.

Spending dropped by 3.8 percent in fiscal 1994, by 5.6 percent in fiscal 1995, by 10.2 percent in fiscal 1996, and finally by 3.7 percent in fiscal 1997. In short, the reductions in this decade began with a trickle and have turned into a hemorrhage.

Taken together, let me repeat, these budget cuts brought spending in 1997 to the lowest level in the past 20 years, and a full 25 percent below the average for that period.

These reductions are also historic in two other respects. For the past two decades, international affairs spending, as measured against the rest of the discretionary budget, held reasonably steady. The average was 4.1 percent, but it rarely deviated much from that average.

In fact, the trend, from 1987 to 1995, was virtually a straight line. But then the line started to take a dive in 1996, dropping to 3.7 percent; and in 1997, it fell still further to 3.6 percent.

The story is largely the same when foreign affairs funding is compared to the total budget, including mandatory spending programs.

Over the past two decades, international affairs funding comprised, on average, 1.7 percent of the entire Federal budget. In fiscal 1997, such funding was just 1.1 percent of the Federal budget, the lowest level in the past 20 years and about one-third below the historical average.

It should be pointed out here that I am not using fiscal year 1985 as a base year for comparison. That was an extraordinary year because there were two special supplemental appropriations to meet foreign policy crises: a special aid package for the Middle East, and a relief bill for famine in Africa.

Spending that year, in constant fiscal 1998 dollars, was $36.3 billion, or nearly twice current funding.

I recognize that such an anomalous year would skew the comparison, and instead I have chosen to look at current funding based against a 20-year time period.

This period, I might add, embraces the tenure of both Presidents Carter and Clinton--that is, the two most recent Democratic administrations--as well as those of Presidents Reagan and Bush.

In sum, Mr. President, the data do not lie. No matter how you slice it, spending for foreign affairs has been severely cut.

There's another part of the story that needs to be told, however, and that's how these cuts in international affairs spending, on both programs and people, have impacted American interests.

Let us start with the State Department. Since President Clinton assumed office, funding for the Department's core activities has fallen by 17 percent in real terms.

Although the current level is slightly higher than the historical average of the past 20 years, the cuts in the last few years have had a dramatic effect on the

Department.

First, we have closed 36 missions overseas, in locations such as Zurich, Switzerland, Stuttgart, Germany, and Lubumbashi, Zaire.

At the same time, 24 new posts have been opened, 15 of which are in the nations that once comprised the Soviet empire. We now have 249 overseas posts, the lowest level since 1980.

Now, I am not objecting to cuts made in the interest of efficiency. I agree that we should eliminate duplication and waste.

What I am concerned about, however, is whether these reductions may have left our interests unevenly protected overseas.

Just as one example, the closing last year of the American Consulate in Medan, Indonesia, has left us with no American diplomatic presence in the second most important commercial center in that country.

Unlike Britain, Russia, Japan, Germany, and a host of other countries which all have diplomats in Medan, our presence is limited to the American Embassy some 800 miles away in Jakarta.

Medan is located in a part of Indonesia that is a key entry-way for arms smuggling into the country, and historically has been a hotbed of pro-independence political activity. Moreover, there are significant private American economic interests in Medan. However, instead of protecting our interests in the region--both economic and security--we have been reduced to sending someone from the Embassy up to Medan about once every 4 months.

Second, the Department is suffering from what might be called an infrastructure deficit. Replacement and modernization of basic equipment has been long deferred, and renovation and repair of overseas buildings has been delayed. Let me state it at the most basic level: Many diplomats, both here and abroad, still use Wang computers. When purchased in the early 1980's, the Wang was state-of-the-art, and the State Department was the envy of the Federal Government; today, the obsolete computers that pervade the Department make it the laughing-stock of Washington. Similarly, over 40 percent of the Department's overseas telephone switchboards are obsolete, so old in fact, that spare parts are unavailable, and to keep the older systems working, we cannibalize ones that have been replaced to fix those still in operation. The same is true for over 80 percent of all our radio equipment overseas.

In the same vein, thousands of repairs to embassies and other facilities remain unmet because of the lack of funds. Our embassy in Beijing--one of our most important posts--is literally falling apart. Numerous other facilities, on every continent, require extensive repair work.

At other foreign affairs agencies, the story is much the same. At the U.S. Information Agency, funding is 13 percent below the average in the past 20 years. Two programs which are among our cheapest and most cost-effective foreign policy tools--exchanges and international broadcasting--have been particularly affected.

For example, budget cuts and a consolidation of all international broadcasting have forced reductions in programming on the Voice of America and Radio Free Europe/Radio Liberty. During the Cold War, services like Radio Free Europe provided a steady breath of truth to those trapped behind the Iron Curtain.

Today, their mission, and the mission of the new Radio Free Asia, is no less important. During my recent visit to Moscow, a leading member of the Russian legislature pleaded for the continuation of Radio Liberty, which is regarded as a critical tool in a country where the media remains under strong influence of the government and the ruling classes.

The steepest reductions in our foreign policy budget have come in foreign assistance, which at $11.5 billion last year--again, using fiscal 1998 dollars--is lower, in real terms, than any year of the last 20, and some 36 percent below the historical average of that period.

Foreign aid spending has been steadily falling since the early 1990's. Reductions of this magnitude have undermined American influence and interests around the globe.

It is popular to assert that foreign aid is merely the foreign policy equivalent of welfare, a supposed giveaway of massive dimensions that yields few

benefits to American interests, and that if we merely ended the program, our problems with the budget deficit would be over. Wrong on both counts.

Through our foreign assistance programs we help to combat the scourges of drug trafficking, international crime, terrorism, and arms proliferation. For example, our contributions to the International Law Enforcement Academy in Budapest, Hungary, has helped to train nearly 3,000 foreign law enforcement personnel in fighting organized crime, drugs, and international money laundering. American contributions to these efforts is an important way in which we protect our interests abroad.

To state the obvious, if we ended all foreign aid--both economic and military assistance--we would not end our deficit problem. And the programs are far from a giveaway; they are an investment in our security.

Mr. President, I am not the only one who feels that reductions in foreign affairs spending have put American interests at risk.

A recent independent, bipartisan blue ribbon panel jointly sponsored by the Brookings Institution and the Council on Foreign Relations came to the same conclusion.

They concluded that `the cuts already made in the international affairs discretionary account have adversely affected, to a significant degree, the ability of the United States to protect and promote its economic, diplomatic and strategic agendas abroad.

`Unless this trend is reversed, American vital interests will be jeopardized.'

Mr. President, we cannot let this trend continue. It is a delusion to believe that America can remain actively engaged in the world if we continue to deny the President and the Secretary of State the resources necessary for the conduct of American foreign policy.

An important first step in the right direction has been taken by funding in full President Clinton's international affairs budget request for fiscal 1998.

Yet, as I have demonstrated here today, after several years of drastic cuts, continued funding is critical to restoring and enhancing America's vital diplomatic capacity.

As it has been reported, the President has decided to reorganize the many foreign affairs agencies of the Federal Government.

I support the President's reorganization plan, and believe that we should eliminate duplication and waste in our foreign policy programs.

However, we in the Congress must keep in mind the needs of the next century and the importance of our diplomatic presence abroad.

I also want to make clear that our reform efforts should be driven not by the imperative of budgetary savings--as important as that is--but by the need to ensure that we have a robust diplomatic presence around the globe in order to protect the gains of our cold war victory.

Let me also unequivocally state that any savings realized from reorganization of our foreign policy agencies should not be diverted elsewhere but re-allocated to enhance our diplomatic readiness .

Moreover, in acting to ensure adequate funding for American foreign policy, we should also end the false distinction--in both our thinking and our budgeting--between foreign policy and national defense.

For years, we have distinguished between the two as if they were separate and unrelated aspects of our national budget.

But that is hardly the case. Quite the opposite: The two are closely linked, and should be similarly conceived as part of a broader national security budget.

This is far from a radical concept. More than most Americans, members of the U.S. military well understand that diplomacy is the front-line of our national defense.

Both our diplomats and our soldiers work on a daily basis to protect our national security, and their missions overlap frequently.

When American aircraft carriers are deployed to the Taiwan Straits, they are not only showing American

military power, they are demonstrating the United States commitment to security and stability in East Asia.

When American diplomats negotiate nuclear and conventional arms control agreements in Europe and Eurasia, they are strengthening European security, a vital national interest which has long been central to our defense planning.

In short, just as the projection of military power is a diplomatic tool, diplomacy is a weapon in the arsenal of our national defense. Both are vital to our national interest; both should be protected.

Mr. President, the debate over the form and substance of our Nation's foreign policy comes down to this--will America lead?

I believe our interests call for it. The sacrifices of our grandparents and parents require it. The future of this great country demands it.

Mr. President, the end of the cold war and the approach of a new century provides a historic moment for the United States to play a decisive role in world affairs--to bend the course of history slightly. Such moments are rare.

The last such time, after the conflagration of the Second World War, saw an active American leadership role in shaping the institutions that were central to world history in the last half of this century--institutions such as the North Atlantic Treaty Organization and the World Bank.

Like the choices made by Presidents named Roosevelt and Truman and Senators named Connolly and Vandenburg a half century ago, the decisions we make now could affect the course of world history for generations to come.

Congress needs to reinforce America's leadership in the world, and provide the resources necessary to protect our interests overseas.

We bear a responsibility to the American people to make the case and show the benefits for these investments, as well as the costs of not pursuing them.

I, for one, will do everything I can as ranking minority member on the Foreign Relations Committee to make sure that we do.

Rather than resting on our laurels after winning the cold war, we must be even more resolute, lest we squander an opportunity to bring peace and democracy to even more people across the globe.